

UNITED STATES OF AMERICA

DEPARTMENT OF ENERGY

OFFICE OF FOSSIL ENERGY

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TRISTAR GAS MARKETING COMPANY	)	FE DOCKET NO. 92-116-NG
_____	)	

ORDER GRANTING BLANKET AUTHORIZATION TO  
IMPORT AND EXPORT NATURAL GAS

DOE/FE OPINION AND ORDER NO. 722

NOVEMBER 19, 1992

I. BACKGROUND

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On September 4, 1992, Tristar Gas Marketing Company ("Tristar"), filed an application with the Office of Fossil Energy (FE) of the Department of Energy (DOE), under section 3 of the Natural Gas Act (NGA) and DOE Delegation Order Nos. 0204-111 and 0204-127, requesting blanket authority to import up to 72 Bcf of natural gas from Canada and to export up to 72 Bcf of natural gas to Mexico, over a two-year term beginning on the date of first delivery. Tristar, a Texas general partnership, with its principal place of business in Dallas, is a gas marketing company. Under the requested authority, Tristar proposes to import and export natural gas either for its own account or as agent on for others. Tristar asserts that any transaction conducted under the requested authorization will be short-term and price competitive. Tristar also asserts there is no present domestic need for the gas to be exported.

A notice of the application was published in the Federal Register on September 21, 1992, inviting protests, motions to intervene, notices of intervention, and comments to be filed by October 21, 1992.<sup>1</sup> No interventions or comments were received.

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1/ 57 FR 43452.

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II. FINDINGS

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The application filed by Tristar has been evaluated to determine if the proposed import/export arrangement meets the public interest requirements of section 3 of the NGA, as amended by section 201 of The Energy Policy Act of 1992 (P.L. 102-486). Under section 3(a), an import or export must be authorized unless there is a finding it "will not be consistent with the public interest." /2 Under section 3(c), applications to import natural gas from a nation with which there is in effect a free trade agreement requiring national treatment for trade in natural gas are deemed to be consistent with the public interest.

The authorization sought by Tristar, to the extent it proposes to import natural gas from Canada, meets the section 3(c) criterion and is therefore consistent with the public interest. Exports of gas to Mexico are not governed by section 3(c), leaving DOE to decide whether such an application is in the public interest. The principal consideration guiding DOE is the domestic need for the gas to be exported and any other issues determined to be appropriate in a particular case. DOE notes that natural gas supplies in the United States are expected to be more than adequate to consumer demand. For this reason, and because Tristar's transactions will be short-term and market responsive, it is unlikely that the volumes exported to Mexico

will be needed domestically during the term of the authorization. Additionally, these exports will further the Secretary of Energy's policy goal to reduce trade barriers by promoting a more market-oriented gas trade between the United States and Mexico. Based on the foregoing, and after taking into consideration all of the information in the record of this proceeding, DOE concludes that authorizing Tristar to export up to 72 Bcf of natural gas to Mexico, over a two-year term beginning on the date of first delivery, under contracts with terms of two years or less, is not inconsistent with the public interest./3

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ORDER

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For the reasons set forth above, under section 3 of the Natural Gas Act, it is ordered that:

A. Tristar Gas Marketing Company (Tristar) is authorized to import up to 72 Bcf of natural gas from Canada and to export up to 72 Bcf of natural gas to Mexico, at any point on the U.S. border with Canada and Mexico, over a two-year term beginning on the date of first delivery.

B. Within two weeks after deliveries begin, Tristar shall provide written notification to the Office of Fuels Programs,

3/ Because the proposed import/export of gas will use existing  
— pipeline facilities, DOE has determined that granting this  
— application is not a major Federal action significantly affecting  
— the quality of the human environment within the meaning of the  
— National Environmental Policy Act (42 U.S.C. 4321, et seq.) and  
— therefore neither an environmental impact statement nor

environmental assessment is not required. See 40 CFR 1508.4  
and 57 FR 15122 (April 24, 1992).

Fossil Energy, Room 3F-056, Forrestal Building, 1000 Independence Avenue, S.W., Washington, D.C. 20585, of the date that the first delivery of natural gas authorized in Ordering Paragraph A above occurred.

C. With respect to the natural gas imports and exports authorized by this Order, Tristar shall file with the Office of Fuels Programs, within 30 days following each calendar quarter, quarterly reports indicating whether sales of imports or exports of natural gas have been made. If no imports or exports have been made, a report of "no activity" for that calendar quarter must be filed. If imports or exports have occurred, Tristar must report total monthly volumes in Mcf, and the average sales price per MMBtu at the international border. The reports shall also provide the details of each import or export transaction, including (1) the country of origin for the imports; (2) the destination of the exports; (3) the name of the seller(s); (4) the name of the purchaser(s), including those other than Tristar; (5) estimated or actual duration of the agreement(s); (6) the name of the U.S. transporter(s); (7) the point(s) of entry or exit; (8) the market(s) served; (9) whether the sales are being made on an interruptible or firm basis; and, (10) if applicable, the per unit (MMBtu) demand, commodity and reservation charge, breakdown of the price, any special contract price adjustment clauses, and any take-or-pay or make-up provisions.

D. The first quarterly report required by paragraph C of this order is due not later than January 30, 1993, and should cover the period from the effective date of this order until the end of the fourth calendar quarter on December 31, 1992.

Issued in Washington, D.C., on November 19, 1992.

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Charles F. Vacek  
Deputy Assistant Secretary  
for Fuels Programs  
Office of Fossil Energy